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Are the Interests of a Few
Ship-Builders More to be Considered
than the Interests of Commerce?

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ARE THE INTERESTS OF A FEW

SHIP-BUILDERS

MORE TO BE CONSIDERED THAN

The Interests of Commerce?

AN ADDRESS

Delivered before the Special Committee of the House of Representatives on Navigation Interests, Hon. JOHN LYNCH, Chairman,

Washington, March 19, 1870,

BY

JOHN CODMAN.

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Hon. JOHN LYNCH, *Chairman, &c., &c.:*

DEAR SIR—As much of your time has been occupied in listening to men who are personally interested in the schemes they propose, am I presumptuous in asking your attention for less than fifteen minutes to what I have to say in opposition to some of them?

Not more than two or three minutes will be taken up in refuting the slander that I am a foreign agent. I think that indulgence may be claimed.

You will allow me to say, with that respect which has been manifested in all I have said or written to you, that, speaking for a large class of our fellow-citizens who ask the privilege of reviving their commercial interests, my request is entitled to be granted by your committee.

I am, very respectfully,
Your obedient servant,

JOHN CODMAN.

ARLINGTON HOTEL, *March 18, 1870.*

HOUSE OF REPRESENTATIVES, *March 18, 1870.*

DEAR SIR—Your note is at hand. The committee meet to-morrow (Saturday) to hear parties in favor of a steam-ship line. You can be heard at the same session if you so desire.

Yours, truly,

JOHN LYNCH,
Chairman.

Captain JOHN CODMAN,
Arlington Hotel.

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A D D R E S S.

GENTLEMEN: I should not have presumed to present a review of the second pamphlet inscribed to you by the Ship-builders' Association of New York but from a motive of self-respect. At the same time I am glad that the opportunity is afforded of again attracting your attention to a subject of higher importance.

"A communication, &c., &c., &c., Being a Reply to a Second Letter to the Committee by Captain John Codman, formerly of Boston, Massachusetts, *now of Dumbarton, Scotland*, urging the repeal of the present Navigation Laws, and favoring the admission of Foreign-built Vessels to the Full Privilege of the American Flag."

The words which I have emphasized serve for the text of their discourse. When personalities, especially such as those which are known by the writers to be untrue in their application, are resorted to in the place of arguments, the extent of their influence need not be greatly feared. In their first production, a mere insinuation was made of what is now the staple of the whole material. The intention is not to overthrow my arguments or to controvert my statistics, but to convince you that I am a traitor to my country because I prefer to advocate the interests of the whole people, even if seemingly opposing those of a few, and, further, that I am an agent and in the paid service of Clyde ship-builders.

I have already denied the accusation, expressing the hope that it was incautiously made, and had thought that denial would have been sufficient—that it would have saved the necessity of calling by its proper name the assertion which now spreads itself over twenty pages.

Will you take for what it is worth, against a calumny which you may estimate at its proper value from its motive, my word that there is not the slightest foundation for such a reproach? I have never received any money or the promise of any money, directly or indirectly, from the ship-builders upon the Clyde, or from any source whatever, in connection with this object. I am not particularly in want of money.

Certain members of the “New York Association” have been occupying themselves with my domestic affairs, and retailing their interest in them to the Navigation Committee and at the Treasury Department. Whatever may have been the enormity of my own crime in spending two or three months in Scotland without their permission, I hope that they will not too harshly judge an innocent family of ladies, who had reasons, satisfactory at least to them and to me, for remaining a short time longer in Edinburgh. They have acted in accordance with their own volition since I left them. They may now be in Liverpool, or on their homeward passage. I could wish that they might come home under their own flag; but as this would not be in accordance with the enlightened policy which puts their passage money into the pockets of British ship-owners, they have no choice beyond that of contributing to British profits or remaining on British soil. I am afraid, if they wait till the “New York Association” build an Atlantic steamer, that my chance of seeing them will be remote.

As has been said before, I began, many years ago, to discern the necessity of our purchasing iron ships abroad if we wished to retain our commerce; and now, finding the country has at last discovered that its commerce is lost, I am here to urge upon you the only way to regain it—by *following the example of all other nations* who purchase their ships in the cheapest markets. With this view, I have already published the pamphlets addressed to you.

The first was undertaken at the request of the New York Board of Underwriters, and they paid the printer's bill. The second was published at my own expense, but a New York ship-owner volunteered to pay for that. As the underwriters and ship-owners are all interested in having ships to sail from our ports under our own flag, I consider that they have their value received. That is the precise extent of the pecuniary aid that has been afforded, and I am glad that I have accepted that much, as it subtracts from the odium of a disinterestedness hard to explain in Washington.

I am again indebted to my reviewers for copious extracts from my letters, which add to their publicity. As this communication will be very short, I hope they may in their next brochure be willing to quote it entire. I would prefer that there should be no wilful omissions of words calculated to give false impressions, and that there should be no surreptitious use of uncorrected proof-sheets. When I spoke of the "Alabama," I called her an "*infamous* pirate." The adjective is omitted in the largely paraded quotation, in order to convey the idea that I approved of her career. A candid reader will readily understand my meaning to be, that the owners of the ships destroyed by her had no occasion generally for regret, as they were mostly covered by insurance. The real sufferers were those who, like myself, continued through the war to sail their ships under the American flag, paying extra premiums for perseverance in a course which we considered patriotic.

After quoting the introduction to my second letter—

"Permit me to say in the outset, that I advocate the *purchase of ships wherever they can be bought most cheaply, under such restrictions as shall protect the interest of Americans who build ships for the coasting trade*”—

I am accused of inconsistency because I closed the former one with this sentence :

"I urge you and your committee, in your forthcoming report, to advocate *the total repeal of the old law.*"

This remark follows :

"The reasons for this modification in his demands are not given by the gentleman who so ably represents in this country the interests of foreign ship-builders."

If the writer had been disposed to fairness, he would have seen that "the reason for this modification" might be attributed to a spirit of compromise with ship-builders—such as it does not occur to him he might charitably exercise toward ship-owners.

As I am far from being ashamed of it, I will repeat for his benefit and for your consideration :

"I am sure that if we had liberty to purchase foreign vessels for our coasting trade, lakes and rivers, as well as for the ocean, the interests of the whole country would be best served ; and if war should come upon us, we should find ourselves better prepared with ships than we shall be by any 'half-way measures' you may choose to adopt in order to conciliate these unreasonable complainants.

"But as the coasting trade must, at all events, be as little interfered with as possible, it might at first sight appear to be a fair compromise if foreign vessels should be admitted to our flag for purposes of foreign commerce only. Still, no merchant would care to own a ship, even if intended generally for foreign service, if he could not use her on the coast, when occasion required.

"In the first place, let us be fair to the builders of wooden vessels—to those gentlemen who still maintain that wood is preferable to iron. Let them continue to enjoy the monopoly of such ships, and let every article that enters into their construction be imported duty free ; *it would cost the country nothing.* In other respects let the legislation apply exclusively to *iron* and *composite* ships; and to the materials that enter into their construction.

"Our coasters are generally vessels of under one thousand tons. I think that, although each class of persons interested would probably like to be favored to the exclusion of all others, the just-minded men among them, in view of the pressing wants of the whole country, might be satisfied with such propositions as these:

- "1. All materials entering into the construction and outfits of ships of any kind to be admitted duty free.
- "2. *Iron and composite ships of over fifteen hundred tons*, built abroad, to be admitted to the flag, and to all the privileges of American-built ships, duty free.
- "3. Ships' stores to be taken out of bond duty free.
- "4. Subsidies, if any, to be granted to ships built within the limits of the United States."

I most respectfully suggest the adoption of measures similar to these, and shall urge them until reasons for further modification are more apparent than at present. They afford a sufficient argument to refute the repeated charge of intention to destroy American industry. The mechanics who will still be employed in building more iron vessels than they ever built before for the coasting trade will be always at hand to build larger vessels in case of war, to be added to those *we can only obtain for ocean commerce by purchasing them.*

"If Americans are the only people on the earth not allowed to purchase ships wherever they please, they *also* are the only people that have such unbounded facilities for *building them.*"

If we take into account the iron tonnage built in England as compared with that built here, even before the war, this assertion seems rather wild. If other countries are referred to, it may be remarked that iron ships can be

built in Germany and France cheaper than here—that iron and coal, and especially labor, is cheaper in those countries than in our own ; and yet they resort to Scotland for the purchase of most of their ships. Further, it can be said that, singular as it may appear, domestic industry is stimulated among those peoples by the admission of foreign-built ships.

“ On the other hand, had the policy *he* is so strenuously advocating been adopted by the Government, what would have been our condition at the commencement of the war, with no ship-yards, no machine-shops, no mechanics? Would the builders on the Clyde have furnished us monitors? Would they have launched, one day, a vessel to run our blockade, and the next an iron-clad to protect our seaboard? Would the pompous ship-building member of Parliament, who, in the presence of that august body, declared it to be the glory of his life that he had built the ‘Alabama,’ have furnished war vessels to protect our commerce? Nay, verily! And we trust the day is far, *very far*, distant when this country will have to depend on Great Britain, or any *other* nation, for the supply of ships for the commerce of her merchants, the protection of her property, or the maintenance of the glory of her unsullied flag.”

We should have had more ship-yards, more machine-shops and more mechanics than now. We should have been able to build our monitors at home, with greater facilities than we have had heretofore. We should not require them from the Clyde. If we did, “ would the builders on the Clyde have furnished us monitors? ” Undoubtedly they would furnish them for us and for our enemies, as we have been furnishing gunboats for the Spaniards and privateers for the Cubans ; as in the Crimean war we furnished ships for the English and French on the one side and for the Russians on the other. *Ship-building is a trade, and neutrality is an opportunity.* No people understand this better than Yankees and Scotsmen. I am inclined to think that the

"pompous ship-building member of Parliament" would have been pleased to build us another vessel to catch his "Alabama." Yes ; ship-building is a business for making money. So is ship-sailing. Spread eagleism of our country is not argument, and "the maintenance of the glory of her unsullied flag" requires a peak whereon to hoist it.

The present condition of the Pacific Mail Steamship Company does not afford a favorable illustration of the superiority of American wooden side-wheel steam-ships over foreign-built iron screws.

Personal losses, attributable to false representations made by the officers of the company, although serviceable reminders of the results of misplaced confidence, do not weaken the assertion, corroborated by stock reports, that the Pacific Mail Steamship Company is a failure.

Their coastwise steamers are losing money, and the China steamers are making none. Economical iron screws in both cases would yield profits. To-day there is a company of Americans in San Francisco waiting your action in order to contract abroad for the building of steamers that will require no subsidy, will bring freight and passengers at a cheaper rate, and will pay to their owners handsome dividends. On the other hand, Englishmen, too, are awaiting your action, *in the hope that you will not give us free ships*, and then they will put on a line of steamers between California and China under their own flag. They will thank you for throwing into their hands the commerce of the Pacific as we have freely yielded to them that of the Atlantic. And yet I am constantly upbraided with being in the interest of foreigners, when trying to induce you, by every argument in my power, to protect us—not as ship-builders, but as a commercial people—against the English monopoly of the sea.

The references to the Hon. Secretary of the Navy do not call for any criticisms. I have a high respect for that gentleman, and doubt not that he can take care of his own

department without assistance from the reviewer or from me. Ships of war and merchantmen are constructed for different purposes. Naval officers and merchants are the best judges of their respective requirements. The latter, without reference to the former, merely ask for the privilege of an equal competition with the ship-owners of other nations. *This they can only have by enjoying the liberty of purchasing in the cheapest markets*, such ships as are adapted to their purposes.

“If it (subsidy) has served its purpose in England, and no steam-ship companies have outgrown it, we see no good reasons why it will not permanently benefit us in our infantile struggles toward commercial manhood.”

It being admitted that the unsubsidized ships of England are now able to compete with those that are subsidized, and whose cost is the same, will they not be able to compete with American subsidized ships that cost seventy per cent. more? Is it to be supposed that unsubsidized foreign ships will go back to “infantile struggles” in order to give us a fair chance? No; they are where they are, solely on account of the stolid indifference to our own interests, which national pride has so fostered that Englishmen, and even Germans, are so far ahead of us in practical experience that we need to have every impediment removed that hinders an attempt to obtain our share of the ocean.

At any rate, this is clear so far as the established traffic between the United States and England is concerned. That trade is already built up, and it is too late to lay a new foundation.

I am aware that a company of gentlemen have a scheme really magnificent, if feasible, of establishing a Mediterranean line, which passing through the Suez canal, is to bring home the produce of China to us in sixty days. If a little judicious nursing will aid its “infantile struggles”

to attain "commercial manhood," the force of the argument for a novel enterprise like this is worthy of consideration. I hope that this admission will not renew the charge of inconsistency from those who can appreciate no consistency except that pertaining to obstinacy.

Generally, aid is not required for individuals or companies. We ask *freedom for all*, and then, far as we are behind in the race, far as our own laws have pushed us behind, we may hope to regain our place by energy and perseverance.

No one knows better than the ship-builders themselves that the bounty they ask will not enable them to put one transatlantic steamer afloat. It will authorize them to take from the pockets of the people and appropriate to their own gain all the drawback your bill allows them for the building of coasting, lake, river and canal craft.

Where is the interference of England with our coast, our inland waters, or the canals?

Are not all the vessels on these built by our own people now, and will they not continue to be built by them? What need, then, of the "protection" of a drawback?

And yet this is the real prize for which the ship-builders are striving.

Transatlantic steamers would be generally vessels of 3,000 tons. Suppose you amend your bill by allowing the proposed drawback only on vessels of over 2,000 tons, would they be satisfied with that? Indeed, they would not!

Gentlemen, do not trifle any longer with the interests of commerce. If the ship-builders are to be our masters, give them such a bounty that they can afford to be generous. Give them one hundred dollars per ton, that they may sell us ships as cheap as we can buy them elsewhere. Otherwise, give us the liberty which the potentates of Europe are too wise to deny to their subjects. Whatever you do, do it now, and do it so that no more will be re-

quired to be done in the future. In the words of the eloquent colored Senator from Mississippi: "Delay is perilous at best; for it is as true in legislation as in physic, that the longer we procrastinate to apply the proper remedies the more chronic becomes the malady that we seek to heal.

"He's a bad surgeon that for pity spares
The part corrupted, till the gangrene spread
And all the body perish."

Waste no time in the trial of palliatives.

I can freely forgive the reviewer all his misrepresentations of my motives, as he has been so hard driven for other matter, especially as at the close of his communication he virtually admits the force of my argument:

"We will pass over the gentleman's formidable array of figures, as well as the very practical illustration of the difference in the cost of a good suit of clothes bought in London and a suit made in this country, because the analysis of both simply prove the same thing, which is, that labor is more expensive in this country than in England—'only this and nothing more.' It is but just to the shipwright and tailor to mention in this connection that they are not the *only* American mechanics whose pay is higher than their brother Englishmen.

"We admit labor here is higher, and while we can give many reasons for the difference will confine ourselves to a short paragraph taken from the report of the Secretary of the Treasury to the House of Representatives on the decline of American shipping:

"The difference in the cost of the same product of labor in different countries is due mainly to differences of social and political institutions, giving rise to differences in the remuneration of labor."

Precisely so, and therefore it was not considered advisable to attack the "formidable array of figures."

These figures are my arguments. They are much stronger and should be more effectual than personalities and bombast.

I know that there are men in Congress who will not refuse to examine them. They scarcely touch upon the relative prices of material.

My whole argument is based upon this admission of the ship-builders.

Some of them are present. Among them is a gentleman who stands at the head of his profession ; another is my reviewer. Beyond a due appreciation of the service he is rendering our cause by confining his assaults to one of its advocates, I have a high personal regard for him.

Now, I ask them if the following statements are not undeniable.

Inasmuch as five-eighths of the cost of a steam-ship and her machinery in this country is labor—inasmuch as labor here is one hundred and twenty-five per cent. more than in Scotland—inasmuch as the interest on capital here is double—inasmuch as the long continued experience and adaptation of labor saving, forced upon foreign ship-builders by fierce competition among themselves, is at least a balance against our fancied superior skill ; therefore, to say nothing of the difference in the cost of material, which is immense and yet comparatively trifling, it is absolutely impossible for us to compete on any terms that can be afforded by your proposed drawback, so that we may participate in international commerce.

We shall still retain our coasting trade, and our river, lake and canal trade, *for none of which a bounty is necessary* ; but if we wish for steamers upon the ocean, which is free to the world, *we must buy them, or continue to yield our legitimate profits to foreigners*, or you must give our mechanics a hundred dollars per ton to build large steamships.

They will tell you they do not require so much. They will tell you so because they know it cannot be obtained.

So they have reduced the controversy to a question between “spread eagle” on the one side and practical common sense on the other.

The first is the final resort of a few dozen ship-builders to gain a bounty, which would be of service only to themselves, while it would be a needless extortion from the country. The last is the plea of forty millions of people, whose interests would be directly or indirectly affected by the revival of commerce.

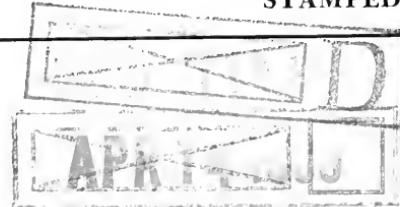
Which is selfish and which is patriotic?



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